

BEFORE THE  
POSTAL REGULATORY COMMISSION  
WASHINGTON, D.C. 20268-0001

MAIL PROCESSING NETWORK  
RATIONALIZATION SERVICE CHANGES, 2012

DOCKET No. N2012-1

**INTERROGATORIES OF THE UNITED STATES POSTAL SERVICE TO  
NATIONAL NEWSPAPER ASSOCIATION WITNESS MAX HEATH  
(USPS/NNA-T1-13 THROUGH 21)**

Pursuant to Rules 25 through 27 of the Postal Regulatory Commission's Rules of Practice and Procedure, the Postal Service respectfully submits the following interrogatories to National Newspaper Association Witness Max Heath (NNA-T-1).

Respectfully submitted,

UNITED STATES POSTAL SERVICE  
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**USPS/NNA-T1-13.** Please refer to your testimony on page 4, lines 14 through 25. You state,

NNA's findings are corroborated by the prestigious Pew Research Center, which completed a study in 2011 on where people get their local news. Pew broke information users into two categories: those over 40 and those under 40. Those over 40 got the following information from their local newspapers: politics, crime, art/cultural events, local business, schools, community events, restaurants, taxes, local real estate, government activities, housing, zoning/development, jobs and social services. Those under 40, generations widely thought not to read newspapers, nonetheless continue to count on them for this news: crime, arts/cultural events, community events, taxes, local government, jobs, social services and zoning/development. "*How People Learn about Their Local Community*," September 24 2011, published by the Pew Research Center at [www.pewinternet.org](http://www.pewinternet.org).

- (A) Please confirm that the Pew report found that "Most Americans (69%) say that if their local newspaper no longer existed, it would *not* have a major impact on their ability to keep up with information and news about their community." (See page 1 of the Pew report.) (Emphasis in the original.)
- (B) Please confirm that the Pew report found that "the data in a new national survey show that the majority (64%) of American adults use at least three different types of media every week to get news and information about their local community—and 15% rely on at least six different kinds of media weekly." (See page 3 of the Pew report.)
- (C) Please confirm that the Pew report found that local TV news, word of mouth, and radio were used by adults more frequently than local newspapers for obtaining local news and information. (See page 13 of the Pew report.)
- (D) Please confirm that the term "local newspaper" as used the Pew report includes the print version of a newspaper and a local newspaper website.

**USPS/NNA-T1-14.** Please refer to your testimony on page 9, lines 5 through 6, where you state, "Now we face the proposal to end overnight mail delivery for First-Class and Periodicals. It should be no surprise to the Postal Service or the Commission that community newspapers are vigorously pushing back against this proposal. We believe it spells the end of newspapers in the mail, along with the profitable Enhanced Carrier Route shoppers and Total Market Coverage publications that we mail." Please provide the following:

- (A) The number of "Enhanced Carrier Route shoppers" that are NNA members and the percentage of such "shoppers" among NNA's membership.

- (B) The number of “Total Market Coverage publications” that are NNA members and the percentage of such publications among NNA’s membership.

**USPS/NNA-T1-15.** Please refer to your testimony on page 11, lines 26 through 27. You state, “This optimization plan is being driven by the need to fill up letter-sorting machines with volume so greater automation efficiency will be achieved[.]” Please provide citations to the portions of Postal Service testimony that provide the basis for your statement that the Postal Service’s proposal is “is being driven by the need to fill up letter-sorting machines with volume.”

**USPS/NNA-T1-16.** Please refer to your testimony on page 12, lines 16 through 21. You state, “[W]hat USPS must do is streamline its workforce, downsize the huge and inefficient--and aging--urban plants, maintain its smaller and more efficient plants and work with its labor groups to achieve more part-time and casual worker flexibility, cross-craft movement and buyouts for interested eligible employees. We all recognize that the benefit-rich environment of the 80s and 90s is no longer available for any American 20 work force. Newspapers faced that reality a decade or more ago.”

- (A) Please explain whether the phrase “streamline its workforce” includes “work[ing] with...labor groups to achieve more part-time and casual worker flexibility, cross-craft movement and buyouts for interested eligible employees”? Does it include actions other than “work[ing] with...labor groups to achieve more part-time and casual worker flexibility, cross-craft movement and buyouts for interested eligible employees”? If yes, please identify those other actions.
- (B) To what extent have you consulted with “labor groups” to determine the extent of their support for your suggested actions for “streamline[ing]” the Postal Service “workforce”? If such consultations have occurred, please summarize their results and provide copies of any written communications, other correspondence or understandings between NNA and such labor groups indicating such support.
- (C) Please specifically identify the actions described in your response to part (A) that the Postal Service should undertake that the Postal Service is not currently considering.
- (D) Please define the terms “efficient” and “inefficient” as you use those terms in your testimony.
- (E) Please define the term “downsize” as you use it in your testimony. Please include in your definition whether the term downsize encompasses the consolidation of operations and/or the deactivation of mail processing plants.

- (F) Please identify which specific plants in the Postal Service's current network should be "downsized" because they are "huge and inefficient."
- (G) Please identify which specific plants in the Postal Service's current network should be "maintained" because they are "[small] and more efficient."

**USPS/NNA-T1-17.** Please refer to your testimony on page 13, lines 4 through 7. You state, "I deeply regret the financial circumstances that have led the Postal Service to propose ending overnight mail delivery for any mailer or community. This proposal has injected great uncertainty into the mailing community and inevitably--regardless of the outcome--has accelerated the move of mail out of the system forever."

- (A) Please identify the matters, issues, or policies of which the "mailing community" is now uncertain due to the Postal Service's proposal in this docket?
- (B) Please quantify the amount of mail that has moved out of the mail stream as a result of the announcement of the Postal Service's proposal in this docket.

**USPS/NNA-T1-18.** Please refer to your testimony on page 14, lines 7 through 9. You state, "Where flats are concerned, in particular, I believe from personal conversations with postal personnel and my own observation that gaining plants will be unable to handle effectively a large surge in volume."

- (A) With respect to the "postal personnel" referenced in your testimony, please state, for each person:
  - (i) his or her name,
  - (ii) his or her location (city and 5-digit ZIP Code) of employment,
  - (ii) the gaining plant or plants that was/were the subject of your communication, and
  - (iv) the date or date range of your communications with that person concerning the subject of the ability of gaining plants to handle additional mail volumes.
- (B) With respect to any gaining plants that you observed, please state:
  - (i) the location (city and 5-digit ZIP Code) of the gaining plant; and
  - (ii) details of your observations that led you to conclude that such plant would be "unable to handle effectively a large surge in volume."

**USPS/NNA-T1-19.** Please refer to your testimony on page 8, line 15. You state, “The new ‘droop’ test...disqualifies many for automation discounts.”

- (A) Please confirm that this portion of your testimony is referring to section 301.1.6 of Mailing Standards of the United States, Domestic Mail Manual (DMM) (May 7, 2012) titled “Maximum Deflection for Flat-Size Mailpieces.” If you do not confirm, please identify the postal rule, regulation, standard, or policy to which you are referring in this portion of your testimony. If your testimony is based on a rule, regulation, standard, or policy other than DMM § 301.1.6, please identify each rule, regulation, standard, or policy.
- (B) What is your understanding of the purpose of the droop test?
- (C) Please provide the percentage of community newspapers that are processed on automation equipment.
- (D) Please provide the number, percentage, and aggregate circulation of newspapers that have been disqualified as a result of the droop test. Please provide all documents or other sources that provide the basis for your response.

**USPS/NNA-T1-20.** Please refer to your testimony on page 9, lines 15 through 26. You state,

I was personally involved in the study conducted by IBM that was reported to the Commission as the Community Newspapers Study Highlights, 2010. I participated in the introductory meetings with IBM and USPS Consumer Affairs and Business Mail Entry specialists, and assisted in selecting lists of newspapers for IBM to use for “salting” recipients to test delivery times. Although I did not keep notes from those sessions, I remember well that despite the highly professional and rigorous conduct of IBM’s personnel, they found that for many of the NNA newspapers they could not find monitors to receive mailed newspapers. We learned the IBM’s mail monitoring people are in larger cities and suburbs and that it does not have many in small towns. So the newspapers selected to participate skewed toward our own suburban members. A truer picture of small town and rural America delivery would have been developed if there were more widely dispersed monitors.

- (A) Please define the term “salting” as you understand it.
- (B) Please confirm that there was only one instance in which an NNA publisher agreed to participate in the study but IBM did not have sufficient “within-county” monitors to receive that publisher’s newspapers. If you do not confirm, please provide the number of NNA newspapers that participated in the study for which IBM’s personnel “could not find monitors

to receive mailed newspapers” and provide all information or documents that you reviewed and that supports your response.

- (C) Please clarify how you came to understand that “IBM's mail monitoring people are in larger cities and suburbs and that it does not have many in small towns.”
- (D) Please state your understanding of how IBM monitors are distributed across the country and provide all information or documents that you reviewed and that supports your understanding.

**USPS/NNA-T1-21.** Please refer to your testimony on page 10, lines 16 through 23. You state,

[A]lthough the study was intensive and time-consuming for NNA as well as the Postal Service, it was better than what we have now. The Postal Service announced in its 2010 filing that it intended to use magazine service scores as a proxy for newspapers. NNA did not object. In fact, we were surprised to learn of the filing, as it appeared in a docket that NNA did not participate in. We had expected after NNA's considerable expense for the survey we would have had the courtesy of at least an alert from the Postal Service when the report was released, but good etiquette failed in that case, I believe, amidst USPS's many staff restructurings at headquarters.

Please also refer to the Community Newspaper Study Highlights filed with the Commission on July 9, 2012 (available at <http://www.prc.gov/Docs/68/68891/Notice%20Newspaper%20Study.pdf>).

- (A) Please confirm that representatives from IBM and the Postal Service presented the survey results to NNA on May 18, 2010, at Postal Service headquarters in Washington, D.C.
- (B) Please confirm that the study found that the Community Newspapers' national result of 72.48 percent (on-time performance) was comparable to the periodicals result of 75.44 percent for the same period.
- (C) Please confirm that the study found that the on-time percentage results for Community Newspapers and Periodicals were similar enough that Periodicals could be considered a proxy for Community Newspapers Mail.
- (D) Please confirm that the study found that it would be difficult for newspaper mailers to participate in ongoing measurement and that ongoing costs for subscriptions and conducting the study may outweigh its value.